

House File 195 - Introduced

HOUSE FILE 195

BY WATTS

A BILL FOR

1 An Act relating to revitalization areas designated by cities
2 and counties and including applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 404.1, subsection 2, Code 2015, is
2 amended to read as follows:

3 2. An area which by reason of the presence of a substantial
4 number of deteriorated or deteriorating structures,
5 ~~predominance of defective or inadequate street layout,~~
6 ~~incompatible land use relationships, faulty lot layout in~~
7 ~~relation to size, adequacy, accessibility or usefulness,~~
8 unsanitary or unsafe conditions, deterioration of site or other
9 improvements, ~~diversity of ownership, tax or special assessment~~
10 ~~delinquency exceeding the actual value of the land, defective~~
11 ~~or unusual conditions of title,~~ or the existence of conditions
12 which endanger life or property by fire and other causes, or a
13 combination of such factors, substantially impairs or arrests
14 the sound growth of a municipality, retards the provision of
15 housing accommodations or constitutes an economic or social
16 liability and is a menace to the public health, safety, or
17 welfare in its present condition and use.

18 Sec. 2. Section 404.2, Code 2015, is amended by adding the
19 following new subsection:

20 NEW SUBSECTION. 5A. *a.* If the proposed revitalization area
21 is a new development revitalization area, the governing body
22 of each local taxing authority authorized to certify a levy on
23 property located within the area comprising the revitalization
24 area has adopted a resolution authorizing the designation of
25 the revitalization area.

26 *b.* For the purposes of this subsection, "*new development*
27 *revitalization area*" means a revitalization area established
28 on or after July 1, 2015, that meets all of the following
29 conditions:

30 (1) Is designated in whole or in part under section 404.1,
31 subsection 5, or is comprised of property in which less
32 than fifty percent of the property meets the description of
33 conditions under section 404.1, subsections 1 and 2.

34 (2) Provides an exemption under this chapter from taxation
35 on value added by improvements to single-family residential

1 property.

2 (3) Is either established by a city and covers all property
3 within the city limits or is established by a county and covers
4 all unincorporated areas of the county.

5 Sec. 3. APPLICABILITY. This Act applies to revitalization
6 areas established under chapter 404 on or after July 1, 2015.

7 EXPLANATION

8 The inclusion of this explanation does not constitute agreement with
9 the explanation's substance by the members of the general assembly.

10 This bill relates to the revitalization areas and property
11 tax exemptions approved by cities and counties under Code
12 chapter 404.

13 The bill modifies some of the grounds under which a city
14 or county may designate a revitalization area. Current Code
15 section 404.1 provides, in part, that the governing body of
16 a city or county may designate an area as a revitalization
17 area, if that area is an area which by reason of the presence
18 of a substantial number of deteriorated or deteriorating
19 structures, predominance of defective or inadequate street
20 layout, incompatible land use relationships, faulty lot layout
21 in relation to size, adequacy, accessibility or usefulness,
22 unsanitary or unsafe conditions, deterioration of site or
23 other improvements, diversity of ownership, tax or special
24 assessment delinquency exceeding the actual value of the land,
25 defective or unusual conditions of title, or the existence of
26 conditions which endanger life or property by fire and other
27 causes, or a combination of such factors, substantially impairs
28 or arrests the sound growth of a municipality, retards the
29 provision of housing accommodations or constitutes an economic
30 or social liability and is a menace to the public health,
31 safety, or welfare in its present condition and use. The bill
32 strikes portions of that provision relating to predominance of
33 defective or inadequate street layout, incompatible land use
34 relationships, faulty lot layout in relation to size, adequacy,
35 accessibility or usefulness, diversity of ownership, tax or

1 special assessment delinquency exceeding the actual value of
2 the land, and defective or unusual conditions of title.

3 The bill also amends provisions relating to the approval
4 requirements for revitalization areas under Code section 404.2.
5 The bill provides that if the proposed revitalization area
6 is a "new development revitalization area", the governing
7 body of each local taxing authority authorized to certify
8 a levy on property located within the area comprising the
9 revitalization area must first adopt a resolution authorizing
10 the designation of the revitalization area. The bill defines
11 "new development revitalization area" to be a revitalization
12 area established on or after July 1, 2015, that meets all of
13 the following conditions: (1) is designated in whole or in
14 part as an area appropriate for public improvements related
15 to housing and residential development, or construction of
16 housing and residential development, including single or
17 multifamily housing, or is comprised of less than 50 percent
18 property that meets the description under Code section 404.1,
19 subsections 1 and 2, relating to conditions detrimental to
20 public health, safety, or welfare; (2) provides an exemption
21 under Code chapter 404 from taxation on value added by
22 improvements to single-family residential property; and (3) is
23 either established by a city and covers all property within
24 the city limits or is established by a county and covers all
25 unincorporated areas of a county.

26 The bill applies to revitalization areas established under
27 Code chapter 404 on or after July 1, 2015.